

PROVIDING A FURTHER INCREASE IN THE RETIRED PAY OF CERTAIN MEMBERS OF THE FORMER LIGHTHOUSE SERVICE

JUNE 8, 1956.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. BONNER, from the Committee on Merchant Marine and Fisheries, submitted the following

REPORT

[To accompany H. R. 10261]

The Committee on Merchant Marine and Fisheries, to whom was referred the bill (H. R. 10261) to provide a further increase in the retired pay of certain members of the former Lighthouse Service, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

The amendments are as follows:

On line 4, delete the words "prior to January 1, 1955,".

On line 7, delete the words, "by 10".

On line 8, delete the words "per centum" and insert the words "in accordance with the following schedule:" and insert the following schedule—

		Retired pay not in excess of \$1,500.00 shall be increased by	Retired pay in excess of \$1,500.00 shall be increased by
"If retired pay commences between			
January 20, 1918, and June 30, 1955.....		12 per centum	8 per centum
July 1, 1955 and December 31, 1955.....		10 per centum	7 per centum
January 1, 1956 and June 30, 1956.....		8 per centum	6 per centum
July 1, 1956 and December 31, 1956.....		6 per centum	4 per centum
January 1, 1957 and June 30, 1957.....		4 per centum	2 per centum
July 1, 1957 and December 31, 1957.....		2 per centum	1 per centum

"Such annual increase in retired pay shall not exceed the sum necessary to increase such retired pay to \$4,104.00. The monthly installment of each retired payment so increased shall be fixed at the nearest dollar."

PURPOSE OF THE BILL

The bill H. R. 10261 would provide for an increase of 10 percent in the annual rate of retired pay of certain members of the former Lighthouse Service, retired under section 6 of the act of June 20, 1918, as amended and supplemented. This act is presently administered by

the United States Coast Guard, and provides for a noncontributory system of retirement.

In view of the recent increase in retirement annuities of civil service employees authorized under the provisions of Public Law 369, 84th Congress, approved August 11, 1955, your committee believes that a similar increase in retired pay of former Lighthouse Service employees is justified. However, in lieu of the flat increase of 10 percent, we recommend substitution of the formula used in computing adjustments for retired civil service employees, as contained in Public Law 369. Under that plan, all annuities beginning before January 1, 1958, are increased by a flat percentage which gradually decreases at 6-month intervals. It is believed that adoption of this plan would be consistent with the recommendation of the Committee on Retirement for Federal Personnel, and would thus serve to promote uniformity in Government policies relating to the retirement of Federal employees. Accordingly, we report the bill as amended.

Departmental reports on this legislation were received on identical bill H. R. 10170 by Mr. Hale, as follows:

TREASURY DEPARTMENT,
Washington, May 23, 1956.

HON. HERBERT C. BONNER,
*Chairman, Committee on Merchant Marine and Fisheries,
House of Representatives, Washington, D. C.*

MY DEAR MR. CHAIRMAN: Reference is made to the request of your committee for the views of the Treasury Department on H. R. 10170, to increase the retired pay of certain members of the former Lighthouse Service.

The bill would increase by 10 percent the annual rate of retired pay of each person retired prior to January 1, 1955, under section 6 of the act of June 20, 1918, as amended and supplemented. The increase would be effective on the first day of the first calendar month following the date of enactment.

Public Law 369, 84th Congress, approved August 11, 1955, provided for an increase in the retirement annuities of civil service employees retired under section 8 of the Civil Service Retirement Act of May 29, 1930. Public Law 369 also provided for increases, in decreasing percentages, in retirement annuities for civil-service employees retired during 6-month periods after June 30, 1955. The latter provision avoids the sharp distinctions which would arise between annuities based upon approximately the same service and salary if increases were provided only for those retired before enactment of the bill.

In view of the increase in retirement annuities of civil-service employees made by Public Law 369, the Treasury Department would have no objection to a similar increase in retired pay of former Lighthouse Service employees. It is recommended, however, that the bill be amended to use a formula parallel to that used for civil-service employees in Public Law 369, so that the effective dates and percentages of increase will be the same under both systems.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to your committee.

Very truly yours,

DAVID W. KENDALL.
Acting Secretary of the Treasury.

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., May 9, 1956.

HON. HERBERT C. BONNER,
Chairman, Committee on Merchant Marine and Fisheries,
House of Representatives, Washington, D. C.

DEAR MR. BONNER: I am referring further to your letter of March 28, 1956, relative to H. R. 10170, a bill to increase the retired pay of certain members of the former Lighthouse Service.

The annuitants whose benefits would be increased by this bill were retired under the Lighthouse Retirement Act, a noncontributory system administered by the United States Coast Guard. Under these circumstances, this Commission does not feel warranted in making comment on the merits of the proposal.

While the systems established by the Civil Service Retirement Act and the Lighthouse Retirement Act differ in many respects, they have in common the basic aim of providing staff retirement benefits for certain civilian Federal employees. Accordingly, your committee may be assisted in its consideration of this bill by a recapitulation of the Commission's position on the question of adjusting civil-service annuities following the 1955 increases in the salaries of most Federal employees.

Our views on this question were influenced by the recommendation on annuity adjustments made to Congress by the Committee on Retirement Policy for Federal Personnel, especially wherein that body observed—

“* * * The Committee believes that it is incumbent on the Congress when adjusting the current pay of Government employees, or when liberalizing the benefit formula for future annuitants, to re-examine the benefits paid to annuitants already on the rolls with a view to adjusting their annuities as warranted.

“* * * In making the annuity adjustments, consideration should be given to the fact that the staff retirement systems are designed primarily to provide benefits for career employees. When adjustments in annuities are made, the original relationship of the basic annuity to the salary and service of the annuitant should be maintained. * * *”

Our position was that Congress should consider appropriately adjusting annuities whenever there had been a general and substantial increase in Federal salaries. An appropriate adjustment, we believed, would be one which would confer an annuity increase commensurate with the rise in salaries, but would at the same time preserve the relationship which originally existed between each annuity and its service and salary base.

With these principles before us, we developed and recommended to Congress a plan for increasing civil-service annuities which was adopted in all substantial respects and became Public Law 369, 84th Congress, approved August 11, 1955. Under this plan all annuities beginning before a given future date (January 1, 1958, in the case of Public Law 369) are increased by a flat percentage which gradually decreases at 6-month intervals. Increases to retirees under the plan could not operate to increase the annuities of their survivors, but the annuity of any survivor commencing during the period the increases were to be in effect would be increased by the percentage applicable to the commencing date.

In recommending this plan to Congress, we pointed out its consistency with the recommendations of the Committee on Retirement Policy for Federal Personnel, and cited that it would have the following desirable features:

1. The percentage basis would permit an annuity increase commensurate with employee salary increases and yet retain the original relationship of the annuity to salary and service.

2. Projecting increases into the future would avoid sharp distinctions in annuity between those retired shortly before and those retiring soon after the plan's enactment. And, as the 1955 salary adjustment began increasing the average salaries of active employees, with commensurate increase in their annuities computed under the applicable civil-service annuity formula at retirement, the percentage increase would be reduced, thus providing equity between those already retired and those retiring in the more distant future.

3. Increases being granted direct to survivors, depending on the commencing date of annuity, would mean increases to them on the same percentage basis as to retirees and would avoid any such inequity as allowing a survivor the same dollar increase as a retired employee.

The Bureau of the Budget advises there would be no objection to the submission of this report to your committee.

By direction of the Commission:

Sincerely yours,

PHILIP YOUNG, *Chairman.*

CHANGES ON EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change in proposed is shown in roman):

Navigation and Navigable Waters

(33 U. S. C. 763 and 763-1)

Sec. 763. Retirement for age of officers and employees generally.

All officers and employees engaged in the field service or on vessels of the Lighthouse Service, except persons continuously employed in district offices or shops, who shall have reached the age of sixty-five years, after having been thirty years in the active service of the Government, may at their option be retired from further performance of duty; and all such officers and employees who shall have reached the age of seventy years shall be compulsorily retired from further performance of duty: *Provided*, That the annual compensation of persons so retired shall be a sum equal to one-fortieth of the average annual pay received for the last five years of service for each year of active service in the Lighthouse Service, or in a department or branch of the Government having a retirement system, not to exceed in any case thirty-fortieths of such average annual pay received: *Provided further*,

That such retirement pay shall not include any amount on account of subsistence or other allowance: *Provided further*, That the retirement provisions and pay shall not apply to persons in the field service of the Lighthouse Service whose duties do not require substantially all their time.

Sec. 763-1. Increase of retired pay.

The annual rate of retired pay received by any person who was retired on or before June 29, 1949, under section 763 of this title, as amended and supplemented, shall be increased by \$360 effective on the first day of the calendar month following October 29, 1949.

Sec. 763-2. Increase of retired pay of certain members of the former Lighthouse Service.

That the annual rate of retired pay of each person retired under section 6 of the Act of June 20, 1918, as amended and supplemented, shall be increased, effective on the first day of the first calendar month following the date of enactment of this Act, in accordance with the following schedule:

If retired pay commences between	Retired pay not in excess of \$1,500.00 shall be increased by	Retired pay in excess of \$1,500.00 shall be increased by
January 20, 1918 and June 30, 1955	12 per centum	8 per centum
July 1, 1955 and December 31, 1955	10 per centum	7 per centum
January 1, 1956 and June 30, 1956	8 per centum	6 per centum
July 1, 1956 and December 31, 1956	6 per centum	4 per centum
January 1, 1957 and June 30, 1957	4 per centum	2 per centum
July 1, 1957 and December 31, 1957	2 per centum	1 per centum

Such annual increase in retired pay shall not exceed the sum necessary to increase such retired pay to \$4,104.00; The monthly installment of each retired payment so increased shall be fixed at the nearest dollar.



The following is a list of the lands which have been surveyed and patented by the General Land Office since the first of January, 1880, and which are now in the hands of the United States Government.

The lands are listed in the following order: first, the lands which have been surveyed and patented by the General Land Office since the first of January, 1880; second, the lands which have been surveyed and patented by the General Land Office since the first of January, 1880; and third, the lands which have been surveyed and patented by the General Land Office since the first of January, 1880.

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